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SOURCES METHODS EXEMPTION 382B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

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SEARCH NO. EGGX-67273

INFO: 2020
JCB

DATE

TO : Chief, BE
FROM : Chief of Station, Germany
SUBJECT: Operational/CASE
INFO: Robert BURKHARDT Case
Reference: FRAM-1721, 25 July 55

Attached hereto is an edited stenographic copy of the briefing given by []
to General Phillips on 25 July on this case.

APPROVED []

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CASE FILE

1. On 30 June, this year, OA was informed by the Mo. Bonn, that they were planning a large roundup on the 2d of July. A roundup of spies, no details were given at this time. On the 2d of July, our Pfullach office informed us that this roundup was one started on the basis of information given by one Robert BURGESS, alias NEWMAN, who is in prison on the basis of Cold War Espionage charges, and was offering information on persons in contact with the SIS in return for his freedom from prosecution. Two of the persons indicated by NEWMAN as SIS agents were employees of the GERMAN organisation Robert BURGESS and Leibnitz, Inc. On the 2d of July, our GPO Liaison Officer learned from GPO Headquarters that the German authorities in conjunction with GPO and the GERMAN Organisation had conducted a so-called "Lootrop operation" on the weekend of 2/3 July, rounding up fifteen (15) people including the two above mentioned and people. On the 7th, I was seeing Dr. BURGESS, chief of the Mo. Bonn office. On matters of concern which mostly includes exchange of basic information, and at this time, he told me a capsule account of this roundup. He volunteered the fact that the two GERMAN men had been arrested and he gave a general account of NEWMAN's disclosure. I asked him immediately if there was any U.S. security aspect to this case. He said, "Yes and no. Yes, to that end, (initially) an employee of the German Post Office in Frankfurt had started his passing of information (initially); but that other than this and the two GERMAN people, there were no U.S. security aspects apparent at this time. He said that the GERMAN men had made no admissions, but he said this was a tentative judgment, that the information was being evaluated by the Mo. Bonn people and by the GERMAN people. He said, however, there was no doubt that NEWMAN was in touch with the SIS since NEWMAN, the initial informant leading to this roundup, had several contacts with an SIS case officer, when NEWMAN knew only as NEWMAN, who had given money to ALBERT in the woods near Frankfurt.

2. saw BURGESS a couple of times after that and he really had nothing to add until the 19th of July. On the 19th of July, he gave me a list of fifteen (15) arrested, the names of which I have here, but I will, for the sake of brevity, give them to you in writing. Some of them had admitted their SIS association, others had denied it. ALBERT, the principal witness in this whole thing, landed himself on the 18th of July, the other GERMAN man, NEWMAN, had and has consistently denied any SIS contact. In addition to this, BURGESS gave me the following information which he admitted was "very vague and incomplete" he said that "they were trying through further analysis of the material to pin it down. There is a female language instructor in Oberammergau who is an alleged SIS Informer also a male Russian truck driver in Oberammergau who had given NEWMAN information as to the sources he contacted there. They have no further identification on either of these people. There was a married female employee of an unnamed American hotel, in Garmisch who was alleged to be a German agent (Mo.); and finally, an American unlisted man allegedly

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with CRC in Wiesbaden, is supposed to be in close contact. This GR's Headquarters are believed to be in the vicinity of Leopoldstrasse 1, in Wiesbaden. Now, let me put the story together for you a little bit.

3. ALBERT was a GERMANY case officer. Precisely what his duties were it, the time we don't know. Heilich is putting them together for us. He reported a large amount of the material to Heilich and there was a large amount of material found in ALBERT's home, at the time of his arrest. A study of these two sets of material showed the following facts:

ITEM 1. ALBERT received reports regularly from one Helmut SCHURZ, a retired HEICO man, living at Schulstrasse 1, in Schleissheim, which is near FRANKFURT. SCHURZ was reportedly serving with a US Intelligence office headed by a Colonel THOMAS, described as being the (2) Intelligence (5) Counterintelligence (1), very busy, but not far, according to SCHURZ. Information this office was gathering information on the following targets: the Helm case; the HELM office; Department VI (Public Safety) of the Ministry of Interior; the WEHR Organization; the NAZI Ministry; the SPV and the SD. The nature of the information contained in these reports made it apparent that the office of Col. THOMAS was concerned primarily with the security of these offices.

ITEM 2. The reports which SCHURZ submitted contained a variety of information on members of these offices; personality information, names, personal faults, that kind of thing. Much of the material was very specific, three and four lines long, of biographical information [where the man lives], where he works, etc., etc.

ITEM 3. ALBERT transmitted to GERMANY excerpts from these reports to which he added information concerning the Col. THOMAS office which he had obviously obtained from SCHURZ orally. I say obviously, since information which got into ALBERT's hands from SCHURZ was not contained in the copies of reports which SCHURZ had passed to ALBERT and which were found in ALBERT's home.

ITEM 4. Col. THOMAS' office was allegedly closed in bad October of 1952 until sometime in 1953 when it moved to FRANKFURT. Late in 1953, SCHURZ indicated to ALBERT, who passed it on to GERMANY, that THOMAS office was transferred to the direct control of GR in Paris.

ITEM 5. The specific HEICO's which Col. THOMAS gave to SCHURZ prior to the reports which SCHURZ prepared in order to these HEICO's were passed to ALBERT and then to GERMANY, and showed with relative clarity the properties which Col. THOMAS' office had been able to take against the various targets. It became apparent that SCHURZ had sources in most of the target areas; for example his source on the HEICO case was a lawyer named HILDE, HILDE lives in Wiesbaden and has practically dropped his private practice to clear up the mystery of the HEICO case. SCHURZ sources in SPV were WILHELM, who is a personal friend and apparently uniting informant of HEICO, also one HILDE LANGE, who was a member of the Chancellor's bodyguard and

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was transferred to the squad in charge of the protection of the prime buildings in Rome and finally, to the SS telephone room. It appears that SCHUTZ also had informants in the DAF, Ministry of Interior and the DIAK office, although these have not yet been identified.

ITEM 6. ALBERT was informed through SCHUTZ, who learned it through informants, of the impending SS roundup, of the 4th of July, although the details didn't appear in the report which SCHUTZ passed to ALBERT. I can give you an idea later of just about what that report contained.

ITEM 7. SCHUTZ had informed SCHUTZ about the disciplinary action which was being carried on against SCHUTZ in connection with war crime accusations made against him while he was in Italy. He also passed remarks relative to his personal opinion about the fact the SS was handled. Interestingly enough, neither of these two items was passed on by ALBERT to USSTAF.

ITEM 8. Insofar as SCHUTZ's remarks to me are concerned, they were that SCHUTZ, (who is unknown, asked his American chief, Col. SHAW, for a

raise from 800 DM's to 850 DM's a month and a separation allowance of 220 DM's

a month since he had to maintain two separate residences in order to carry on

his work. These are the basic revelations from the studies of these two

bodies of information (I am still on the 19th day of July and BRUNCKEN's

talk with me).

ITEM 9. SCHUTZ was interrogated in Karlsruhe on the 10th and the 20th of July as a witness, (not accused), and his story contained the following items of primary interest - bear in mind that I did not have a recorder with me and I was able to jot down only the high points. ALBERT knew SCHUTZ during his police days and they had become good personal friends. SCHUTZ made no secret to SCHUTZ of the fact he, SCHUTZ, worked for an American Intelligence Office. When SCHUTZ was charged with war crimes, in an effort to exonerate himself, he contacted DIA. He was able to provide from American files, a body of information which helped secure his innocence. He was free from the charges; however, that information was passed by DIA direct to the Ministry of Interior, not to BRUNCKEN, and he had no indication of anything happening or how the Ministry was evaluating it; so knowing that SCHUTZ was working for the American Office, he turned to SCHUTZ in hope that SCHUTZ' office could bring further pressure to bear - just another layer in the fire for SCHUTZ.

ITEM 10. In the course of his relationship with SCHUTZ, SCHUTZ said, discuss his opinion of what was wrong with the leadership of the SS.

ITEM 11. When SCHUTZ returned from his interrogation on the 20th of July, SCHUTZ was waiting for him at BRUNCKEN's house and asked him what he knew about the death of ALBERT. SCHUTZ was a very close family friend of ALBERT's and he had allegedly learned of ALBERT's death from his, ALBERT, by impression is, and I can't guarantee this, that SCHUTZ did confirm the fact of ALBERT's death to SCHUTZ; nothing more. SCHUTZ also knew ALBERT directly, but this was only back to the 30's when SCHUTZ was instructor at the police school at which ALBERT was a student. They were not personal

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friends; they had not seen each other except informally, casually and occasionally since the war. In other words, LIPSHITZ's claim, if true, it was, was allegedly fabrication, nothing of official nature and nothing that probably doesn't go on in government circles all the time. There is really nothing on the book.

RECENTLY, LIPSHITZ and information available does not impeach him in any way other than his connection with these two items.

b. LIPSHITZ was interviewed in Kielmoe on the 10th of July. I might interpolate here in saying that the names of both SAVAGE and LIPSHITZ were contained in a report which SAVAGE had passed to Col. KIRKUS, the original and carbon copy of which had gone to LIPSHITZ and reported fifty or sixty names of his sources and potential sources in the German government, and that, as how the names of SAVAGE and LIPSHITZ came to the attention of the 50 men, they were anxious to get to them as soon as possible. LIPSHITZ, it should be noted, having furnished SAVAGE any information, the day after it was passed home from Kielmoe, he called the Federal Attorney and said he'd like to settle that dental and make another statement, which he did. His statement had in it the following points:

"a. He had known both SCHMITZ and a man named Richard KREUZER during the war. SCHMITZ, like LIPSHITZ, was a Volksdeutsche (ethnic German) from Lithuania. They met - LIPSHITZ and SCHMITZ - in Bad Goisberg in 1951 by accident and had a round trip about the old days in Lithuania. SCHMITZ again revealed to LIPSHITZ that he worked for an American intelligence office and after a number of local meetings with LIPSHITZ, asked if he would help him and his American office in filling some of the gaps in their information. LIPSHITZ claimed he couldn't do this because he was only a member of the Chancellor's bodyguard and, as such, he had no access to such interests; however, he did supply a few such which SCHMITZ seemed to be happy to get. Before long, SCHMITZ was paying LIPSHITZ 200 DM's a month.

b. sometime in 1954, LIPSHITZ was transferred to the Volksdeutsche section of the SD and there was able to furnish more interesting information, although still very brief reports, since the detailed staff was always sent by despatch. In early July, LIPSHITZ claims that SCHMITZ approached him, saying that his office had information that a large number of spies was to take place and asked if LIPSHITZ could supply some information on it. LIPSHITZ claimed that from his experience he knew that the Americans were receiving information officially from various German security offices and saw no reason why carrying out this request would be damaging to anyone; so he reported and this report was found in ALBERT's files; that a person, who had been "qualified" in Kielmoe and was then removed to Kiel, had obtained information which had lead to the SD roundup which was called "Operation KETTEN". Also that KREUZER was known to have visited Kielmoe recently, possibly in connection with this planned operation, and that KREUZER had visited the SD on 17 June 1955. Possibly also in connection with this operation, LIPSHITZ claimed to have received the information on the American and German movements from colleagues of his in the course of informal and shortly after the arrests were made between the 20 and 22 of July, SCHMITZ asked LIPSHITZ if he could contact another one above KIELMUE or KIEL, ALBERT, had been arrested. (It is my impression that LIPSHITZ did contact the arrest of ALBERT).

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Q. The final item from BRUNSWICK is that it was his impression that Col. THOMAS was to have met SCHMITZ in Bonn on the 18th of July. Now that is the story.

5. I'd like to give you BRUNSWICK's comment. None of the information which SCHMITZ passed on to ALBERT contained any State secrets. They were largely rumors, gossip, and unofficial character. Secondly, SCHMITZ has not been interviewed nor has SCHMITZ. The reason I mentioned SCHMITZ is in this connection is because it is not clear to me nor the US whether SCHMITZ worked for SCHMITZ only as a sub-source or whether he worked together with SCHMITZ directly for Col. THOMAS. BRUNSWICK said when he heard the physical description of Col. THOMAS - I was Col. THOMAS. I pointed out to BRUNSWICK that he had better take another look. First of all, I am slightly under two meters, five centimeters tall, and secondly I don't think I can be described as "strong but not fat". That at one cleared up the matter. BRUNSWICK did discuss these theories of Mierwitz both GEMER and the Federal Attorney in Karlsruhe, but I am led to believe that I am off the hook with all people. I pointed out that I'd hardly be establishing liaison with the office I am passing to. Thirdly, BRUNSWICK has not discussed this case with any other US agencies and free his standpoint, will regard us as the middleman in making inquiries of other US agencies. He said if I would make inquiries in the rest of the intelligence community after I assured him that this was not an operation. In accepting this request of his, I made it clear to him that we stand in no operational relationship to any military agency and therefore we can be responsible for no action taken by any military agency, either to make or not make SCHMITZ available for interrogation. He agrees not to take any action against SCHMITZ or SCHMITZ until he hears from me, just in this story.

6. I called to BRUNSWICK on the telephone the other night. He added that a Mr. "B", had been mentioned in some report which had been found - must be in the GEMER batch - in a context which made it look as though Mr. "B" was either a colleague or the predecessor of Col. THOMAS. That is the only clue we have no description or anything else. (Note: It has since emerged that this referred to Mr. Robert HEGGOLD.)

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